



Air Future Limited Newsletter January 2019

Welcome to 2019.

The last few months of 2018 were particularly busy but thanks to the Christmas break we are now invigorated and ready for the excitement of 2019.

With the imminent launch of the urban vehicle Airpod 2.0 by MDI in Luxembourg and France and later in the year the AirWall, we are anticipating a buzzing 2019.



For us the MDI progress means product availability moves closer. With product to demonstrate we have more certainty around our marketing, showcasing, business relationships and our particularly important objective of factory funding activities.

With the renewable energy industry driving the changes from fossil fuels reliance, the public is also becoming aware of the challenges confronting the renewables industry to integrate these technologies in an affordable and timely manner. The MDI philosophy constitutes the underpinning of their research for creating a clean engine, without greenhouses gases or toxic particles emission. The MDI motto is “**Sustainability for All**”.

Our intentions are to build business and community relationships, prepare for showcasing the AirPod 2.0 and increase the public awareness as to how Air Future intends to provide the MDI energy and transport alternatives.

Our most important immediate end objective is to raise capital for our first production factory.

First an update about MDI activities.

An Interview of Cyril Negre, CEO MDI SA, on the progress of the MDI technology can be viewed at: <https://www.mdi.lu/videonewslet>

Recent MDI shareholder newsletters and information on the MDI website highlights the amount of background work that MDI is undertaking as they prepare for the AirPod 2.0 launch and the introduction of their first vehicles into the fleet market.

Attending selected trade shows in France and Luxembourg has been an important aspect of the MDI fleet focus. The feed back from their presence at these trade shows has been very positive with several important groups clearly indicating their interest to integrate into their fleets the AirPod 2.0 range.



Presentations to the French Parliament committee and a presentation to the European Parliament are also politically significant. Information regarding these events are on the MDI website <https://www.mdi.lu/news> The video of the Presentation to the European Parliament by MDI's General Manager, Monique Bertho, can be viewed at <https://www.mdi.lu/videoparlmt>

MDI public communication has been deliberately restricted to commercial audiences as against the general public. MDI says “Indeed, we cannot communicate to the general public until our vehicle and our industrial tool are duly operational: this would create frustrations and be counterproductive.”

Future MDI showcasing events

In order to meet the French fleet owners and fleet services providers, MDI will have a stand at the “Flotauto” show, Paris Feb 21 2019. Visitors to the MDI site will “discover the MDI compressed air engine's technology and the fleet services MDI proposes in partnership with "Moovee" a share fleet manager for companies.....” MDI will be presenting the AirPod 2.0 in the exhibition hall dedicated to new vehicles proposed by automobile manufacturers and mobility services providers.

The Flotauto web site is <https://rencontres.flotauto.com>

AirPod 2.0 Vehicle Certification

The homologation (certification) process of the AirPod 2.0 has been launched with the Luxembourg company “Lux Control”. This process is current and we will be informed when the process has been completed.

MDI Market Research

MDI have recently completed a comprehensive market study with the support of FEEDS (Federation for Employment, the Environment, the Economy and Social development) (<https://www.feeeds.fr>). The survey was sent to 40,000 people registered on the MDI data base. MDI obtained 8,000 completed questionnaires which represented an exceptional 20% feed-back rate.

The first result regarding the perception of individuals are extremely encouraging with the main thrusts as follows.

- 95% of those surveyed travel less than 100 km per day, 78% of whom are less than 50 km away. The range of the MDI vehicle (with 120km on air alone and 360km in dual mode) is therefore sufficient for the vast majority of those users.
- 85% of respondents would like to use the AirPod 2.0 in a "home-work" journey.
- Regarding the recognized qualities and environmental advantages of the vehicle 75% recognize its qualities for the respect of the environment and 68% appreciate its cost of use.
- 81% would opt for charging the vehicle on a household outlet and more than 50% of respondents appreciate the vehicle's design.

Regarding purchase intentions 45% would like to buy an AirPod 2.0 immediately – nearly two years product from an initial micro factory! All in all a very promising and positive result.

Sardinia Manufacturing Plant

MDI's partner, AirMobility (Sardinia) has started the production of AirPod 2.0 body panels that will be used for pre-series assemblies at MDI Carros operation.

Further MDI Manufacturing Plants.

MDI are confident that there is going to be a high market demand for the AirPod 2.0 series for both corporate fleets and the private market. They are seeking expressions of interest to establish a stand-alone AirPod 2.0 production plant in France along with the current discussions with parties for development of a plant in Luxembourg. FEEEDS also wants to start up an AirPod factory in the French Loire region.

Construction of the AirBom

MDI delivered the first “AirBom Light” dumpster service vehicle to Veolia at Airbus Helicoptere facilities in Marignane where Veolia used it to complete their service work. Veolia has ordered a second dumpster that will serve the centre of the city of Lille. This next vehicle is under construction in the MDI Carros factory and is preparing the way for manufacturing AirBom’s in large quantities moving towards mass production. The showcasing of the MDI AirBom Light on public roads in Lille will bring certain media visibility. **This is a practical demonstration and verification of the MDI compressed air engine's multiple applications.**



AirOne/ Air City

The question is often asked when will we have an AirOne or AirCity. To answer this MDI say “After the AirPod will come the development of the AirOne, which has reached its validation stage for the design. We will continue to work on this vehicle as soon as the AirPod 2.0 is on the road. Then after 12 to 18 months, you will be able to see rolling an AirOne in its final version”

Air Future Activities

With timing now ideal for commercialisation in 2019/20, Air Future Group seeks to do so via a number of progressive projects. We see many advantages for regions having the benefit of MDI local manufacture and product solutions and also see benefits for those who fund and facilitate the developments and rollout.

Showcasing

Regarding delivery of an AirPod 2.0 for showcasing we can't give timelines yet but can say MDI are as keen as we are to have an AirPod 2.0 vehicle available for us. All the same preliminary planning for New Zealand showcasing events is taking place.



The Air Community <http://www.airfuture.co.nz/the-air-community>

In our November Newsletter we introduced the Air Future “Air Community”. This is a ‘space’ where members of the public and Air Future shareholders alike can share in our activities and record their interest through leaving their email address on the AFL web site. We anticipate that the “Air Community” will be an important contributor to getting our story out there and show our activities.

We anticipate that the Air Community will play an important part when we are seeking expressions of interest for the MDI products (AirPod, AirOne, AirPower & AirWall) or making presentations to government and local bodies.

We encourage you to join and also invite others. We have over 360 members so far with the majority being members of the public in response to our media advertising program undertaken during November and December. MDI have over 40,000 on their data base so we are just starting.

Capital Raising

This continues to be an essential and important part of our next step.

Our focus is to attract capital to build a local production factory. However working capital is essential.



AirPod 2.0 showcasing, energy pilots and market development activities are essential to demonstrate the considerable investment opportunity with Air Future and its transport and energy divisions.

In our November Newsletter we referred to our crowd funding preparations. This has been delayed because of the holiday period.



Working Capital

As an interim capital raising measure we are considering seeking to raise funds under a small offer by making a “personal offer” as defined in clause 12(5) of Schedule 1 to the Financial Markets Conduct Act 2013 on terms as described in the Information Memorandum (the Offer). When the offer documentation is completed Shareholders and the Air Community will be provided information regarding the process in due course.

Summary

We can see the changes taking place both within MDI and globally and are looking forward to our activities during 2019. This will be quite a different year for us and for you as shareholders.

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